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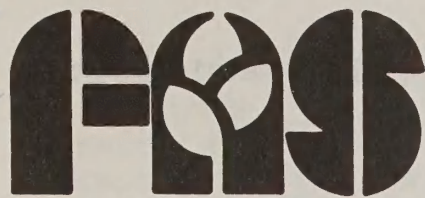
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REPORT

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

United States
Department of
Agriculture
Foreign
Agricultural
Service
Washington, D.C. 20250
WR 22-83

WASHINGTON, June 2--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

GRAIN AND FEED

Since May 25, CANADA'S west coast grain handlers have been in a legal position to strike, and the terminal operators have been in position to initiate a lock-out. Grain workers have been operating under a 2-year contract negotiated in the fall of 1982 in which wage rates for 1983 were left to be negotiated. No wage settlement has been reached, but both sides expect to resume talks soon. West coast ports continue to operate normally, and there is no immediate threat of a disruption in grain export movement.

Despite some recent good weather, CANADIAN wheat sowings remain well behind average and at about last season's late pace. As of May 26, plantings in Alberta and Manitoba reportedly are 75 to 80 percent complete and are likely to be completed by the end of May. In Saskatchewan, however, where about two-thirds of the wheat crop is produced, about 60 percent of the wheat sowings are complete; and it will be difficult to finish planting by the end of the month. Plantings after the end of May run an increased risk of encountering frost in late August or early September. The cool wet weather this spring, significantly delaying wheat sowing, is expected to result in some shifting in area to rapeseed and coarse grains. However, this potential shift to other crops is limited, and a record wheat area is still expected to be sown this season.

OILSEEDS AND PRODUCTS

MEXICO purchased only 152,000 tons of soybeans on a tender for 203,000 tons and 71,000 tons of sunflowerseed on a tender for 109,000 tons, according to trade sources. Soybeans were mostly for July-August shipment, while sunflowerseed was mostly for July shipment.

DAIRY, LIVESTOCK AND POULTRY

WORLD meat production (red and poultry) in 1982 was virtually unchanged from 1981, and the 1983 forecast shows little change. Poultry meat production is expanding faster this year than in 1982; however, red meat production is expected to continue to decline.

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World meat production estimates* are as follows, in million metric tons:

	1981	1982	1983
Beef and Veal	40.06	39.92	39.52
Pork	37.18	36.44	36.73
Mutton and Goat	4.38	4.44	4.35
Poultry	21.78	22.25	22.85
World Total 1/	103.40	103.05	103.45

1/ Selected countries.

* Due to revisions in country reporting, totals are not comparable to previously published data. For further information, contact the foreign production estimates division, Tel. (202) 382-8888.

World cattle inventories at the start of 1983 were 2.7 million head less than last year. Australian numbers are 2.6 million head lower than a year ago; and, even though the drought has ended in most areas, prospects for cattle herd expansion remain uncertain. Canadian inventories fell last year because of heavy female slaughter. The drop is expected to depress beef production this year. European Community (EC) cattle inventories expanded last year, and beef production will be up in 1983. In Eastern Europe, dry weather may depress 1983 beef production. In the Soviet Union, a mild winter allowed inventory expansion, and increased meat production is expected.

	Beginning Cattle Inventory			Beef and Veal Production		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
	-----Million Head-----			---Million Metric Tons---		
Canada 3/	12.2	12.1	11.6	1.02	1.03	1.01
United States	114.3	115.6	115.2	10.35	10.43	10.52
EC-10	78.3	77.9	78.9	6.92	6.61	6.74
Eastern Europe	37.7	37.8	37.3	2.33	2.43	2.32
Soviet Union	115.1	115.9	117.1	6.67	6.60	6.70
Argentina	58.8	57.9	59.0	2.96	2.49	2.32
Uruguay	11.0	10.9	10.3	0.41	0.38	0.43
Australia	25.2	24.6	22.0	1.42	1.68	1.34
New Zealand	8.1	8.0	7.9	0.50	0.50	0.46
World Total 4/	934.0	933.9	931.2	40.06	39.92	39.52

1/ Preliminary. 2/ May 1983 estimate. 3/ Revised census. 4/ Forty-eight countries.

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World hog numbers at the beginning of 1983 were 2.5 million head below those of a year ago. The largest declines were in the United States, Mexico, and Eastern Europe; the largest expansions were in the Soviet Union, Spain, and Korea. While hog numbers in Canada were down in January from a year ago, Canada's April projection for 1983 indicates a 1-percent growth in all hogs and a 2-percent growth in sows. Production prospects are favorable because of the expansion in exports due to favorable exchange rates and expected increased sales to Japan due to the Japanese ban on Danish pork imports. Mexican pork production is expected to fall 10 percent this year because of feed shortages and low hog prices. Total EC hog inventories increased, and pork production is expected to be up. Spanish hog inventories were up over 3 percent, but reduced grain production and depressed economic conditions are expected to cause a herd reduction this year. Eastern Europe's hog numbers did not fall as much as projected.

	Beginning Hog Inventory			Pork Production		
	1981 1/	1982 1/	1983 2/	1981 1/	1982 1/	1983 2/
	-----Million Head-----			---Million Metric Tons---		
United States	64.5	58.7	53.2	7.20	6.45	6.57
Canada 3/	10.2	10.0	9.9	0.84	0.83	0.85
Mexico	15.4	16.5	16.0	1.09	1.20	1.08
EC-10	78.1	78.4	79.1	9.46	9.44	9.59
Eastern Europe	71.0	72.3	70.0	6.65	6.47	6.38
Japan	10.1	10.0	10.1	1.40	1.43	1.47
Soviet Union	73.4	73.3	76.5	5.20	5.10	5.23
World Total 4/	408.6	404.0	401.5	37.18	36.44	36.73

1/ Preliminary. 2/ May 1983 estimate. 3/ revised census. 4/ Forty-two countries.

World sheep numbers totaled 667 million head at the beginning of 1983, 4 million below beginning 1982 numbers. World mutton and goat meat production is expected to total 4.35 million tons this year, 2 percent below production in 1982.

World poultry meat production for 1983 is expected to be up slightly because of higher levels of production in the United States, Brazil, Japan, and the Soviet Union. In the EC, production is now expected to fall slightly below that of a year ago. Competition from Brazil in the Middle East and Soviet markets and weak domestic demand are the reasons for the expected drop in EC poultry production this year. Egg placements for broilers were reduced last fall in the Netherlands and were down 10 percent in France in the first two months of 1983.

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	Total Poultry Meat Production 1/			Broiler Production 2/		
	1981	1982 3/	1983 4/	1981	1982 3/	1983 4/
	----Million Metric Tons---			----Million Metric Tons---		
United States	6.98	7.05	7.25	5.44	5.52	5.68
EC-10	4.15	4.34	4.30	2.86	2.99	2.92
France	1.24	1.32	1.31	0.78	0.84	0.82
USSR	2.30	2.50	2.70	0.65	0.70	0.76
Brazil	1.49	1.59	1.65	1.40	1.50	1.55
Japan	1.13	1.21	1.28	1.00	1.08	1.15
Spain	0.89	0.89	0.87	0.82	0.82	0.80
World Total	21.78	22.25	22.85	14.96	15.15	15.49

1/ Thirty-six selected countries. 2/ Twenty-nine selected countries.

3/ Preliminary. 4/ May 1983 forecast.

In Japan, broiler production is expanding faster than expected earlier. This seems to be due to stable feed prices and some substitution of poultry for fish and pork. In the Soviet Union, poultry production is also expanding faster than earlier projected, with January-April production 13 percent above year ago levels on state and collective farms.

World egg production continues to expand.

	Egg Production 1/		
	1981	1982 2/	1983 3/
	-----Billion Pieces-----		
United States	69.86	69.58	68.90
EC	71.07	72.35	72.45
France	15.17	16.08	16.40
USSR	72.16	73.00	74.40
Brazil	10.20	10.30	10.30
Japan	33.32	34.32	35.00
Spain	11.83	11.41	12.17
World Total 3/	344.88	346.38	349.05

1/ Thirty-five selected countries. 2/ Preliminary.

3/ May 1983 forecast.

COTTON AND FIBERS

According to the agricultural attache in Islamabad, PAKISTAN's 1982/83 cotton crop should total 3.8 million bales, moderately above a year earlier. The increase is largely due to increased use of pesticides and favorable weather conditions. The Pakistan Central Cotton Committee recently announced a production target of 4 million bales for the 1983/84 crop. This would be achieved by supplying the farmer with better seed, increasing plant population, intensifying plant protection, and introducing heat resistant long staple varieties of cotton.

TOBACCO

In MEXICO, the government recently removed cigarette retail prices from official control, since cigarettes represent a non-essential consumption item. Because of rising production costs, the manufacturers immediately increased their retail prices from 18 to 45 percent (30 percent average) according to brands. The new prices went into effect May 11, 1983. Cigarette sales already dropped about 0.9 percent in 1982, and further decline is expected this year as result of higher retail prices.

Tobacco leaf exports in 1982 continued their downward trend and were only about 15,000 tons, 3,000 tons less than in 1981, and the lowest in ten years. Mexico is striving to adjust the quality of their leaf categories to international market requirements in an effort to regain markets and more adequately compete with other tobacco exporting countries.

EGYPT's 1982 tobacco imports of 42,636 tons, slightly above 1981, were at an alltime high, but still barely adequate to meet strong and rising consumer demand for cigarettes. Major sources were Greece--6,033 tons, Italy--5,850 tons, China--5,137 tons, Turkey--5,014 tons, and the United States--4,973 tons. These five countries supplied nearly two-thirds of the total imports. With increased cigarette production capacity and low tobacco stock levels, Egypt could potentially import 50,000 tons in 1983. However, the actual import level will depend upon the availability of foreign exchange.

HONG KONG's 1982 unmanufactured tobacco imports were pegged at 13,591 tons, dropping sharply from the record of 20,281 tons imported in 1981. China recovered its top position, supplying 3,393 tons or 25 percent of the total tobacco leaf to Hong Kong. South Africa retained second place with 22.5 percent of the total, followed by the United States with 15.6 percent. Imports fluctuate from year to year depending on re-export demand, and the decline in 1982 was largely the result of reduced re-exports to China and Philippines.

FRUITS AND NUTS

In BRAZIL, the orange crop currently being harvested in Sao Paulo State is estimated by the agricultural officer at 7.752 million tons, down nearly three percent from last year's harvest. Sao Paulo State in recent years has accounted for over three-fourths of Brazil's total crop. Grower price negotiations for this season are nearing completion. In 1982, growers received an estimated \$1.27 per 40.8 kilogram box, compared with the \$2.12 received in 1981. It is doubtful that a grower price in 1983 will increase enough from last year to equal the inflation rate.

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SUGAR

The SOVIET UNION's beet sugar production for 1982/83 was nearly 7.4 million tons (raw value), up 15 percent from the low 1981/82 level of 6.4 million tons, according to the USSR Central Statistical Administration in "USSR in Figures 1982." Sugarbeet production was reported to be 71.3 million tons, up 17 percent from the previous year. Sugarbeet area as previously reported was 3.526 million hectares.

Selected International Prices

Item	:	May 31, 1983	:	Change from	:	A year
	:		:	previous week	:	ago
ROTTERDAM PRICES 1/		\$ per MT	\$ per bu.	\$ per MT		\$ per MT
Wheat:						
Canadian No. 1 CWRS-13.5%.		205.50	5.59	+50		202.00
U.S. No. 2 DNS/NS: 14%...		182.00	4.95	-6.00		179.00
U.S. No. 2 DHW/HW: 13.5%..		N.Q.	--	--		187.00
U.S. No. 2 S.R.W.....		155.00	4.22	-5.00		N.Q.
U.S. No. 3 H.A.D.....		200.00	5.44	-5.00		181.00
Canadian No. 1 A: Durum..		210.00 15/	5.72	-4.50		N.Q.
Feed grains:						
U.S. No. 3 Yellow Corn....		146.50	3.72	+10		130.00
U.S. No. 2 Sorghum 2/.....		N.Q.	--	--		N.Q.
Feed Barley 3/.....		N.Q.	--	--		N.Q.
Soybeans and meal:						
U.S. No. 2 Yellow.....		245.50	6.68	-4.40		257.00
Brazil 47/48% SoyaPellets 4/		215.00	--	-4.00		238.00
U.S. 44% Soybean Meal.....		213.00	--	-4.50		226.00
U.S. FARM PRICES 5/						
Wheat.....		131.54	3.58	-2.57		132.64
Barley.....		78.08	1.70	+5.51		106.27
Corn.....		118.10	3.00	-.39		99.60
Sorghum.....		108.25	4.91 6/	+.67		95.90
Broilers 7/.....		1082.02	--	+43.21		N.A.
EC IMPORT LEVIES						
Wheat 8/.*.....		99.95	2.72	+1.67		110.75
Barley.....		106.54	2.32	+.99		86.80
Corn.....		75.38	1.91	-2.29		99.10
Sorghum.....		83.77	2.13	-2.68		93.00
Broilers 9/.....		285.00	--	-1.00 13/		276.00
EC INTERVENTION PRICES 11/						
Common wheat(feed quality)		182.60	4.97	-1.05		188.70
Bread wheat.....		200.26	5.45	-1.16		216.68
Barley and all						
other feed grains.....		182.60	--	-1.05		188.70
Broilers 12/.....		1151.00	--	1.00		--
EC EXPORT RESTITUTIONS (subsidies)						
Wheat.....		N.A.	--	--		N.A.
Wheat flour.....		--	--	N.Q.		N.Q.
Barley.....		78.48	1.71	-.20		N.A.
Broilers 9/.....		204.00	--	-1.00 13/		183.00
Sugar, refined 14/.....		272.76	--	-13.07		N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Twelve-city average, wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg to 33.15. 12/ F.o.b price for R.T.C. whole broilers at West German border. 13/ Change from previous week generally reflects change in exchange rates. 14/ Week of May 18-May 25, based on a maximum subsidy rate of 25.708 ECU's per 100 kilograms. 15/ July Shipment. N.Q.=Not quoted. N.A.=None authorized. Note: Basis June delivery.

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